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FACTS FOR SOCIALISTS

FROM THE
POLITICAL ECONOMISTS AND STATISTICIANS.

PUBLISHED AND SOLD BY
THE FABIAN SOCIETY.

"No one can contemplate the present condition of the masses of the people without desiring something like a revolution for the better" (Sir R. GIFFEN, "Essays in Finance," vol. ii., p. 393).

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FACTS FOR SOCIALISTS

FROM THE
POLITICAL ECONOMISTS AND STATISTICIANS.

I.—The Nation's Income.

THE annual income of the United Kingdom has been estimated by the following authorities:—

Sir Louis Mallet, K.C.S.I. (India Office), 1883-4, <i>National Income and Taxation</i> (Cobden Club), p. 23	£ 1,289,000,000
Professor Leone Levi (King's College, London), <i>Times</i> , January 13th, 1885...	1,274,000,000
Professor A. Marshall (Cambridge Univer- sity), Report of Industrial Remunera- tion Conference, p. 194 (January, 1885), upwards of	1,125,000,000
Mr. Mulhall (1892), <i>Dictionary of Statistics</i> , p. 320, Income for 1889	1,285,000,000
Sir R. Giffen, <i>The Wealth of the Empire</i> , Journal of Royal Statistical Society, vol. lxvi., part iii. 1903	1,750,000,000
Mr. A. L. Bowley, M.A. (Appointed Teacher of Statistics, University of London), <i>Economic Journal</i> , September, 1904 ; Income for 1903	1,800,000,000
Mr. L. G. Chiozza Money, M.P., <i>Riches and Poverty</i> ; Income for 1904	1,710,000,000

The gross assessments to income tax have risen (1881-2 to 1901-2) by £265,542,486 (Inland Revenue Report, 1897-8, C.—4,474 and Cd.—1,717). Allowing for a corresponding rise in the incomes not assessed and in the wages of manual labor, we may estimate the **income for 1901-2** at not less than **£1,800,000,000**. The population in 1901 being nearly 41,500,000 (Cd.—1,727), the average annual income is about £43½ per head, or £174 per adult man.* In 1840 it was about £20½, and in 1860 £26½ per head (Mr. Mulhall, *Dict. of Statistics*, p. 245).

These figures (which are mainly computed from income-tax returns and estimated average rates of wages) mean that the price in money of the commodities and services produced in the country

* It has been assumed throughout that one person in every four is an adult male, and that there are, on an average, five persons to each family group.

during the whole course of a year was about £174 per adult man.* Most of these commodities and services were used up within that period in maintaining the 41,500,000 inhabitants, and Sir R. Giffen estimates that about £200,000,000 is "saved" annually (*Essays in Finance*, vol. ii., p. 407). The bulk of this "saving" consists of new houses and of new railways, steamers, machinery, and other aids to future labor.

For subsequent comparison the total is represented by the annexed figure :



II.—Who Produces It.

The desirable commodities and useful services measured by this vast sum are produced solely by the "efforts and sacrifices" (Cairnes), whether of muscle or of brain, of the working portion of the community, employed upon the gifts of Nature.

Adam Smith "showed that labor is the only source of wealth, ... It is to labor, therefore, and to labor only, that man owes everything possessed of exchangeable value" (McCulloch's *Principles of Political Economy*, part ii., sec. 1).

"No wealth whatever can be produced without labor" (Professor Henry Fawcett (Cambridge), *Manual of Political Economy*, p. 13).

"That useful function, therefore, which some profound writers fancy they discover in the abundant expenditure of the idle rich turns out to be a sheer illusion. Political economy furnishes no such palliation of unmitigated selfishness. Not that I would breathe a word against the sacredness of contracts. But I think it is important, on moral no less than on economic grounds, to insist upon this, that no public benefit of any kind arises from the existence of an idle rich class. The wealth accumulated by their ancestors and others on their behalf, where it is employed as capital, no doubt helps to sustain industry; but what they consume in luxury and idleness is not capital, and helps to sustain nothing but their unprofitable lives. By all means they must have their rents and interest, as it is written in the bond; but let them take their

* It may be observed that the estimated amount of "money" or currency in the country is about £130,000,000, or under £4 per head, including bank notes. Gold coin and bullion, between £80,000,000 and £100,000,000; silver and bronze, £15,000,000; bank notes, beyond gold reserves, £24,000,000 (W. S. Jevons, *Investigations in Currency and Finance*, p. 272; Report of Deputy-Master of the Mint, 1889; Mr. Goschen's Speech on Second Reading of the Coinage Act, 1891).

proper place as drones in the hive, gorging at a feast to which they have contributed nothing" (*Some Leading Principles of Political Economy*, p. 32, by the late John Elliott Cairnes, M.A., Emeritus Professor of Political Economy at University College, London; 1874).

III.—Who the Workers Are.

Those who profess to be taking part in the work of the community were divided, at the census of 1901, into the following classes :

		Males.	Females.	Total.
Industrial		8,884,116	2,594,684	11,478,800
Agricultural		2,058,096	183,881	2,241,977
Commercial		845,127	89,106	934,233
Domestic		357,037	2,058,528	2,415,565
Professional		817,731	387,050	1,204,781
		12,962,107	5,313,249	18,275,356
Unoccupied, under 20...		6,476,645	7,202,149	13,678,794
Unoccupied, over 20 ...		663,656	8,840,915*	9,504,571
		20,102,408	21,356,313	41,458,721

(Compiled from Reports of the 1901 Census for England and Wales, Scotland and Ireland.

Among the professed workers there are, of course, many whose occupation is merely nominal. The number is swelled by the "sleeping" partners, the briefless barristers, the invalids, and the paupers, prisoners, and sinecurists of every description. Many thousands more have occupations useless or hurtful to the community; and others, as for example many domestic servants, labor honestly, but for the personal comfort of the idlers, and they might, therefore, as far as production is concerned, as well be themselves idle.

Nevertheless, there were, in 1901, 663,656 adult men (one in twenty) who did not even profess to have the shadow of an occupation. Most of these form the main body of the idle rich, "the great social evil of . . . a non-laboring class" (J. S. Mill, *Political Economy*, Popular Edition, p. 455).

It is clear that the labor of the workers is much increased by the presence among them of so large a proportion of persons who take no useful part in the business of life. The possible reduction of the daily hours of work has, however, been much exaggerated. Thus Mr. William Hoyle, writing in 1871, committed himself to the assertion that, "assuming every person did his share, a total of $1\frac{1}{2}$ hours' daily labor would suffice to supply us in abundance with all the comforts of life" (*Our National Resources*, p. 56). It appears from the context that his calculation refers to a community composed exclusively of actual workers in the production of material necessities, whereas in ordinary human societies about half the population is under the age of twenty, and more than half the adults are women mostly occupied in domestic duties. The $1\frac{1}{2}$ hours daily have, therefore, at once to be multiplied fourfold, and account

* Most of these are married women engaged in domestic work, although not so described.

is even then taken only of food, clothing, houses and furniture. The whole calculation is indeed of little value, and has never been accepted by other authorities.

IV.—How the Idle Rich Live.

"Whence is their purchasing-power derived? It does not descend to them from the skies; nor is it obtained by submarine telegraph direct from California or Australia; nor is its presence exhaustively accounted for by the presence of certain figures on the credit side of their accounts in their bankers' books" (Prof. J. E. Cairnes, *Some Leading Principles of Political Economy*, p. 31).

They live, in the main, upon the portions of the national product which are called rent and interest, by the legal "guarantee to them of the fruits of the labor and abstinence of others, transmitted to them without any merit or exertion of their own" (J. S. Mill, *Political Economy*, Popular Edition, p. 129).

"It is at once evident that rent is the effect of a monopoly" (J. S. Mill, *Political Economy*, p. 255).

"Monopoly, in all its forms, is the taxation of the industrious for the support of indolence, if not of plunder" (*Ibid*, p. 477).

V.—Rent.

The total profits from the ownership of lands, houses, tithes, etc., as assessed for income tax in 1901-2 was £238,231,937; the rents of mines, quarries, ironworks, gasworks, waterworks, canals, fishings, shootings, markets, tolls, etc., amounted to £40,988,572 (Inland Revenue Report, 1902-3, Cd—1,717). Many of these are notoriously far from being fully assessed. The total "rent"* of the United Kingdom must therefore amount to at least £290,000,000, or nearly one-sixth of the total produce.



Total produce, £1,800,000,000. R.—Rent, £290,000,000.

* In 1843 the total was (for Great Britain only) £95,284,497; in 1855 (for the United Kingdom) £124,871,885.

VI.—Interest on Capital.

Interest is distinguished by economists from the rent of land on the one hand, and the "wages of superintendence," or other payment for services on the other.

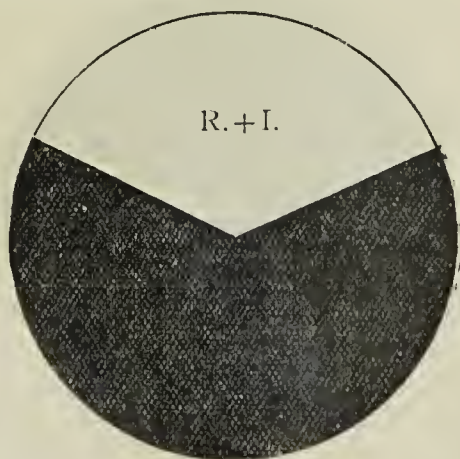
The profits of public companies, foreign investments, railways, etc., assessed to income tax in the United Kingdom in 1901-2 amounted to £260,274,742. The interest payable from British public funds (rates and taxes) was, in addition, £22,757,110, and from Indian, Colonial and Foreign Governments £28,126,796 (Inland Revenue Report, 1901-2, Cd.—1,717).

That these amounts are understated may be inferred from Mr. Mulhall's estimate of the stocks, shares, bonds, etc., held in Great Britain alone, as being worth £2,655,000,000 producing an annual income of upwards of £122,000,000 (*Dictionary of Statistics*, p. 106). Sir Louis Mallet estimated the English income from foreign investments alone in 1883-4 at £100,000,000 annually (*National Income and Taxation* (Cobden Club), p. 13), and later returns show that this estimate must be considerably increased.* Nearly the whole of this vast income may be regarded as being received without any contemporary services rendered in return by the owners as such.

We have, however, to add the interest on capital employed in private undertakings of manufacture or trade. This is included with "wages of superintendence," in business profit, both for the purpose of the income tax returns and in ordinary speech. Sir R. Giffen estimated it, in 1884, apart from any earnings of personal service, at £89,000,000 (*Essays in Finance*, vol. II, p. 403). Allowing for the increase since then, the total amount of **interest** cannot therefore be less than **£360,000,000**.

Adding hereto the rent mentioned in the preceding section, we have a total of £650,000,000 for rent and interest together.

The following diagram represents the proportion of the nation's income thus claimed from the workers, not in return for any service



Total product, £1,800,000,000. R.—Rent, £290,000,000.
I.—Interest, £360,000,000.

* See Fabian Tract No. 7, "Capital and Land," pp. 7 and 8.

rendered to the community, but merely as the payment for permission to use the land and the already accumulated capital of the country.

VII.—Profits and Salaries.

But those who enjoy the vast unearned income just mentioned cannot all be accurately described as the "idle rich," though they would forego none of it by refusing to work. If they are disposed to increase it by leading active lives, they can do so ; and most of them adopt this course to some extent, especially those whose share is insufficient for their desires.*

When the members of this endowed class elect to work, they are able to do so under unusually favorable conditions. Associated with them in this respect are the fortunate possessors of exceptional skill in hand or brain and the owners of literary, artistic, or commercial monopolies of every kind. These workers often render inestimable service to the community, and they are able to exact in return remuneration proportionate neither to their utility nor to the cost of their education or training, but to the relative scarcity of the faculty they possess.

The numbers and total income of this large class cannot be exactly ascertained. It includes workers of all grades, from the exceptionally skilled artizan to the Prime Minister, and from the city clerk to the President of the Royal Academy.

It is convenient for statistical purposes to include in it all those who do not belong to the "manual-labor class." If we take the "rent of ability" to have increased in the same proportion as the assessments to income tax, this prosperous body may be estimated to receive for its work as **profits and salaries** about **£460,000,000** annually.†

* As the unearned income is not equally distributed, some of the participants are in comparatively humble circumstances ; but it may be observed that the "manual-labor class," or the poor, possess but a small fraction of the land and capital.

In 1901 The Deposits in P.O. Savings Bank	... were	£140,392,916
" Trustee "	... "	51,966,386
Consols purchased for small holders	... "	14,450,877
In 1900 The Capital of Building Societies...	... was	46,775,143
The Funds of Trade Unions, Co-operative, Friendly and Provident Societies	... "	72,219,991
The Funds of Industrial Life Assurance Societies	 "	22,998,793
		£ 348,804,106

(see Eighth Annual Report of the Labor Department of the Board of Trade, Cd.—1,124, 1902 ; Statistical Abstract, C.—1,239, 1902 ; and Fabian Tract No. 7, "Capital and Land"), or less than one thirty-fifth part of the total accumulated wealth, and under £23 per head of the adult workers in the "manual labor class," even supposing the whole was owned by members of that class. Against this, too, must be set the debts of the laborers to pawnbrokers, shopkeepers and others, which amount, in the aggregate, to a considerable sum.

† Some of this might, from another point of view, be reckoned rather as interest on the cost of education of valuable servants of the community, and accordingly deducted from this total and added to that of interest.

Sir R. Giffen : total income, less rent, interest, and wages of manual-labor class (<i>Essays in Finance</i> , 1886, vol. ii., p. 404)	£ 313,000,000
Professor A. Marshall : earnings of all above the manual-labor class (Report of Industrial Remuneration Conference, p. 194), 1885 ...	300,000,000
Mr. Mulhall : income of tradesmen class only (<i>Dictionary of Statistics</i> , p. 320), 1886 ...	244,000,000
Sir R. Giffen : salaries of superintendence assessed to income tax alone (<i>Essays in Finance</i> , 1886, vol. ii., p. 404)	180,000,000

VIII.—The Classes.

The total amount of rent, interest, profits and salaries was estimated some years ago as follows :—

Professor Leone Levi, <i>Times</i> , 13th January, 1885	£ 753,000,000
Professor Alfred Marshall, Report of Industrial Remuneration Conference, p. 194 (1885) ...	675,000,000
Sir R. Giffen, <i>Essays in Finance</i> , vol. ii., p. 467 (1886)	720,000,000
Mr. Mulhall, <i>Dictionary of Statistics</i> , p. 246 ...	818,000,000
Mr. A. L. Bowley, <i>Statistical Society's Journal</i> , vol. lviii., part 2, p. 284 (1891)	912,000,000

Since these estimates were made the wealth of the country has grown greatly, and on the basis of the increase in gross assessments to income tax, we estimate that the total drawn by the legal disposers of what are sometimes called the “**three rents**” (of **land, capital and ability**) amounts at present to about **£1,110,000,000** yearly, or just under two-thirds of the total produce.

And the Masses.

The total amount of wages was at the same time estimated by the statisticians :—

Professor Leone Levi (as above)... ..	£ 521,000,000
Professor A. Marshall (as above)... ..	500,000,000*
Mr. Mulhall, <i>Dictionary of Statistics</i> , p. 320 ...	467,000,000
Sir R. Giffen, <i>Essays in Finance</i> , vol. ii., p. 467	550,000,000
Mr. J. S. Jeans, <i>Statistical Society's Journal</i> , vol. xlvii., p. 631	600,000,000
Mr. A. L. Bowley (as above)	699,000,000

* These estimates, which are based on average rates of wages, multiplied by the number of workers, assume, however, reasonable regularity of employment, and take no account of the fact that much of the total amount of nominal wages is reclaimed from the workers in the shape of rent. Much must, therefore, be deducted to obtain their real net remuneration.

Allowing for the increase since these estimates were made we may safely say that the manual-labor class receives for all its millions of **workers** only some **£690,000,000**.



Rent	£290,000,000
Interest... ..	360,000,000
Profits and Salaries	460,000,000
Total (that is the income of the legal proprietors of the three natural monopolies of land, capital and ability)	1,110,000,000*
Income of manual-labor class	690,000,000
Total produce	<u>£1,800,000,000</u>

IX.—The Two Nations.

This unequal division of the fruits of the combined labor of the working community divides us, as Lord Beaconsfield said, into "two nations," widely different from each other in education, in comfort, and in security. There is some limited central territory between, and some luckier few escape from the large camp in which their fellows are toiling to the more comfortable fortress of the monopolists, from which, on the other hand, others sink into destitution from extravagance or misfortune. But for the great majority the lines between these two nations are practically impassable.

It is not that this division is based on any essential differences in the industry or morality between individuals.

"Since the human race has no means of enjoyable existence, or of existence at all, but what it derives from its own labor and abstinence, there would be no ground for complaint against society if every one who was willing to undergo a fair share of this labor and abstinence could attain a fair share of the fruits. But is this the fact? Is

* In this connexion it may be mentioned that the total income of the charities of the United Kingdom, including endowments, amounts to £10,040,000, or 1 per cent. of the foregoing total. £2,040,000 of this, it may be added, is expended upon Bible societies alone (Mulhall, *Dictionary of Statistics*, p. 112). The total cost of poor relief in 1901-2 was £15,305,642.

it not the reverse of the fact? The reward, instead of being proportioned to the labor and abstinence of the individual, is almost in an inverse ratio to it; those who receive the least, labor and abstain the most." (John Stuart Mill, *Fortnightly Review*, 1879, p. 226, written in 1869).

We have seen what the "two nations" each receive: it remains to estimate their respective numbers, and the following facts supply materials for this computation:—

(a) *The Comparatively Rich.*

It has been shown that the adult males, without professed occupation numbered 663,656 in 1901. This represents a population of about 2,650,000, all of whom were living on incomes not derived from any specified occupation.

About one-seventieth part of the population owns far more than one-half of the entire accumulated wealth, public and private, of the United Kingdom (Chiozza Money, *Riches and Poverty*, p. 72).

The landlords (of more than ten acres) number only 176,520, owning ten-elevenths of the total area (Mulhall, *Dictionary of Statistics*, p. 341).

More than one-half the area of the whole country is owned by 2,500 people (Chiozza Money, *Riches and Poverty*, p. 75).

The mortgage upon the industry of the community known as the National Debt was owned, in 1880, by only 236,514 persons,* 103,122 of whom shared in it only to the extent of less than £15 per annum each (Mulhall, *Dictionary of Statistics*, p. 262).

Only thirty-nine out of every 1,000 persons dying leave behind them £300 worth of property (including furniture, etc.), and only sixty-one per 1,000 leave any property worth mentioning at all.

The number of estates of £10,000 and upwards in value in 1901-2 upon which Estate Duty was paid was 3,829; their capital value was £190,715,094. They include two-

(b) *The Comparatively Poor.*

Mr. Mulhall, *Dict.*

of Statistics, p.

320; families ... 4,774,000

The number of persons "employed" at wages in the industries of the Kingdom is placed at thirteen to fourteen millions, and this includes over four million women.

Mr. J. S. Jeans,

Statistical Society's Journal, vol.

xlvi., p. 631,

places the number at about ... 14,000,000

Sir R. Giffen,

Essays in Finance, vol. ii.,

p. 461 (separate incomes of manual-labor class) . 13,200,000

Prof. Leone Levi,

Times, 13th Jan., 1885 (number of

workers in manual-labor class in 1881) ... 12,200,000

Sir R. Giffen,

Labor Commission Statistics,

six and a quarter million families of wage earners, or persons ... 13,000,000

Mr. A. L. Bowley,

Statistical Society's Journal, June, 1895,

manual laborers 13,000,000

* These include many banks, insurance companies, foreign potentates, and others not to be included in the present computation.

(a) *The Comparatively Rich.*

thirds of the total net capital of the estates liable for duty. (Inland Revenue Report, C—1,717.)

In 1901-2 the estates of 149 persons were proved for £62,467,800. Of these, four were more than £1,000,000, nineteen over £500,000, forty-five over £250,000, and eighty-one between £150,000 and £250,000.

More than one-third of the entire income of the United Kingdom is enjoyed by less than one-thirtieth of its people (Chiozza Money, *Riches and Poverty*, p. 42).

The incomes of £160 per annum and upwards are only one million in number. Nearly one-half of the entire income of the United Kingdom is enjoyed by but one-ninth of its population (Chiozza Money, *Riches and Poverty*, p. 41).

Mulhall estimates that there were, in 1889, 222,000 families of the gentry, 604,000 families of the middle class, 1,220,000 families of the trading class; in all only about two million families above the manual-labor class of less than five million families (*Dictionary of Statistics*, p. 320).

Mr. L. G. Chiozza Money estimates that persons with incomes of £700 per annum and upwards and their families number 1,250,000 and take £585,000,000 a year. Persons with incomes between £160 and £700 and their families number 3,750,000 and take £245,000,000 (*Riches and Poverty*, p. 42).

(b) *The Comparatively Poor.*

Persons with incomes of less than £160 and their families number 38,000,000 and take £880,000,000 (Chiozza Money, *Riches and Poverty*, p. 42).

Nine hundred and thirty-nine out of every 1,000 persons (about half of whom are adults) die without property worth speaking of, and 961 out of every 1,000 without furniture, investments, or effects worth £300 (Mulhall, *Dictionary of Statistics*, from Probate Duty Returns, p. 279). Out of 62,310 estates for which Probate was granted in 1901-2, 32,295 were less than £500 each; their aggregate capital value was £9,719,638 (Inland Revenue Report, C—1,717).

From returns obtained from 8,121 Private and Government Works, employing 862,365 persons, it appears that the average annual wage per head amounted to only £48. These returns include the police and other public servants, but do not take any account of agricultural and general laborers. (Annual Report of Labor Department, Board of Trade, 1893-4, C—7,565.)

X.—The Competitive Struggle.

Disguise it as we may by feudal benevolence, or the kindly attempts of philanthropists, the material interests of the small nation privileged to exact rent for its monopolies, and of the great nation, thereby driven to receive only the remnant of the product, are permanently opposed. "The more there is allotted to labor the less there will remain to be appropriated as rent" (Fawcett, *Manual of Political Economy*, p. 123).

It is therefore "the enormous share which the possessors of the instruments of industry are able to take from the produce" (J. S. Mill, quoting Feugueray, *Principles of Political Economy*, p. 477, Popular Edition of 1865), which is the primary cause of the small incomes of the comparatively poor. That neither class makes the best possible social use of its revenues, and that both waste much in extravagance and vice, is an apparently inevitable secondary result of the unequal division, which it intensifies and renders permanent; but it is a secondary result only, not the primary cause. Even if the whole "manual labor class" received £48* per adult; which is the average income of those who are best off, and made the best possible use of it, it would still be impossible for them to live the cultured human life which the other classes demand for themselves as the minimum of the life worth living. It is practically inevitable that many of the poor, being debarred from this standard of life, should endeavour to enjoy themselves in ways not permanently advantageous to themselves or to society.

The force by which this conflict of interest is maintained, without the conscious contrivance of either party, is competition, diverted, like other forces, from its legitimate social use. The legal disposers of the great natural monopolies are able, by means of legally licensed competition, to exact the full amount of their economic rents; and the political economists tell us that so long as these natural monopolies are left practically unrestrained in private hands, a thorough remedy is impossible.

In 1874, Professor Cairnes thought that some help might be found (at any rate by the better-paid laborers) by means of co-operation in production. He then wrote:

"If workmen do not rise from dependence upon capital by the path of co-operation, then they must remain in dependence upon capital; the margin for the possible improvement of their lot is confined within narrow barriers, which cannot be passed, and the problem of their elevation is hopeless. As a body, they will not rise at all. A few, more energetic or more fortunate than the rest, will from time to time escape, as they do now, from the ranks of their fellows to the higher walks of industrial life, but the great majority will remain substantially where they are. The remuneration of labor, as such, skilled or unskilled, can never rise much above its present level." (Prof. J. E. Cairnes, *Some Leading Principles of Political Economy*, p. 348; 1874.)

Thirty years have passed away since these words were written, and it must now be apparent, even to the most sanguine of individualists, that the chance of the great bulk of the laborers ever coming to work upon their own land and capital in associations for co-operative production, has become even less hopeful than it ever was; and Dr. J. K. Ingram tells us that modern economists, such as Professors T. E. Cliffe Leslie and F. A. Walker, regard the idea as "chimerical" (Article on "Political Economy" in *Encyclopædia Britannica*, vol. xix., p. 382). Even so friendly an economist as Mr. Leonard Courtney agrees in this view. Yet this, according to authorities so eminent, is the only hope for the laborer under the present arrangements of society, or any other that the Professor could suggest.

* See Annual Report of Labor Department, Board of Trade, 1893-4, C—7,565.

XI.—Some Victims of the Struggle.

The statistics hitherto quoted have been mainly based on the assumption of reasonable regularity of employment. But of the great permanent army of the "unemployed," no reliable statistics can be obtained. From returns rendered to the Labor Department of the Board of Trade by Trade Unions, it appears that in the seven years, 1896-1902, the mean percentage of members unemployed was 3·3 (Annual Report of Labor Department, Board of Trade, 1901-2, Cd—1,755). The average number of persons in London whose home is the "common lodging-house" is over 30,000; over 1,100 are every night found in the "casual wards."

As regards the four millions of persons in the metropolis, Mr. Charles Booth tells us that 37,610, or 0·9 per cent., are in the lowest class (occasional laborers, loafers, and semi-criminals); 316,834, or 7·5 per cent. in the next (casual labor, hand-to-mouth existence, *chronic want*); 938,293, or 22·3 per cent., form "the poor" (including alike those whose earnings are small, because of irregularity of employment, and those whose work, though regular, is ill-paid). These classes, on or below the "poverty line" of *earnings not exceeding a guinea a week per family*, number together 1,292,737, or 30·7 per cent. of the whole population. To these must be added 99,830 inmates of workhouses, hospitals, prisons, industrial schools, etc., making altogether nearly 1,400,000 persons in this one city alone whose condition even the most optimistic social student can hardly deem satisfactory (*Labor and Life of the People*, edited by Charles Booth, 1891. Vol. ii., pp. 20-21).

The ultimate fate of these victims it is not easy adequately to realize. In London alone, in 1902, no less than 34 persons, of whom 24 were fifty years old and upwards, were certified by the verdicts of coroners' juries to have died of starvation, or accelerated by privation (H.C.—279). Actual starvation is, however, returned as the cause of death in but a few cases annually; and it is well known that many thousands of deaths are directly due to long-continued under-feeding and exposure. Young children especially suffer.

In England and Wales in 1904, 90,776 deaths were registered as having taken place in workhouses, infirmaries, hospitals, and asylums, or 16·51 per cent. of the total deaths; the proportion during the ten years immediately preceding having averaged 14·25 per cent. Of these, 48,884 occurred in workhouses, 32,141 in hospitals, and 9,751 in lunatic asylums.

In London in 1904, one person in every three died in the workhouse, hospital, or lunatic asylum. Out of 75,558 deaths, 31,513 being under twenty years of age, 13,845 were in workhouses, 10,806 in hospitals, and 504 in lunatic asylums, or, altogether, 25,155 in public institutions (Registrar-General's Report, 1904, Cd—2,617).

It is worth notice that a large number of those compelled in their old age to resort to the workhouse have made ineffectual efforts at thrifty provision for their declining years. In 1890-91, out of 175,852 inmates of workhouses (one-third being children, and another third women), no fewer than 14,808 have been members of benefit societies. In 4,593 cases the society had broken up, usually

from insolvency (House of Commons Return, 1891, Nos. 366 and 130—B). It is probable that one in every three London adults will be driven into these refuges to die, and the proportion in the case of the "manual-labor class" must of course be still larger. And the number of persons who die while in receipt of out-door relief is not included in this calculation. As in 1902-3 the mean number of out-door paupers in the metropolis was 44,899 (Cd—1,700), and the average death-rate in London was 18·7 per 1,000, it may be assumed that upwards of 1,000 persons died while in receipt of out-door relief—often from its being insufficient.

15,727 persons died by fatal accidents in 1904 (Registrar-General's Report, C—2,617) 981 losing their lives in mines, quarries, etc., 804 on railways, 250 in working machinery, 520 by poisoning and poisonous vapors, and 203 in building operations. These are figures for England and Wales alone, and would be much increased by including the accidents in Scotland and Ireland.

The Board of Trade Report on "Railway Accidents" during the year 1904 shows that 416 railway servants were killed, and 3,921 injured, by accidents on the lines. Of these 10 were killed and 542 injured whilst coupling or uncoupling vehicles. (Cd—2,605.)

"At present the average age at death among the nobility, gentry, and professional classes in England and Wales was 55 years; but among the artizan classes of Lambeth it only amounted to 29 years; and whilst the infantile death-rate among the well-to-do classes was such that only eight children died in the first year of life out of 100 born, as many as 30 per cent. succumbed at that age among the children of the poor in some districts of our large cities. The only real causes of this enormous difference in the position of the rich and poor with respect to their chances of existence lay in the fact that at the bottom of society wages were so low that food and other requisites of health were obtained with too great difficulty" (Dr. C. R. Drysdale, Report of Industrial Remuneration Conference, p. 130).

"Anyone who is acquainted with the state of the population of all great industrial centres, whether in this or other countries, is aware that amidst a large and increasing body of that population there reigns supreme . . . that condition which the French call *la misère*, a word for which I do not think there is any exact English equivalent. It is a condition in which the food, warmth, and clothing, which are necessary for the mere maintenance of the functions of the body in their normal state, cannot be obtained; in which men, women, and children are forced to crowd into dens wherein decency is abolished, and the most ordinary conditions of healthful existence are impossible of attainment; in which the pleasures within reach are reduced to brutality and drunkenness; in which the pains accumulate at compound interest in the shape of starvation, disease, stunted development, and moral degradation; in which the prospect of even steady and honest industry is a life of unsuccessful battling with hunger, rounded by a pauper's grave. . . . When the organization of society, instead of mitigating this tendency, tends to continue and intensify it; when a given social order plainly makes for evil and not for good, men naturally enough begin to think it high time to try a fresh experiment. I take it to be a mere plain truth that throughout industrial Europe there is not a single large manufacturing city which is free from a vast mass of people whose condition is exactly that described, and from a still greater mass, who, living just on the edge of the social swamp, are liable to be precipitated into it" (Professor Huxley, *Nineteenth Century*, February, 1888).

B. S. Rowntree estimated that the average income from all sources of the 11,560 working class families in York in 1899 was 32s. 8½d. per week, or £85 a year. But 1,465 families, comprising 7,230 persons, that is, 15·46 per cent. of the wage-earning class and 9·91 per cent. of the population of York, were living in "primary

poverty," that is, on less than enough to provide the minimum of food, clothing and shelter. And, in addition, 13,072 persons, or 17·93 per cent. of the population, were living in "secondary poverty," that is, on earnings which would be sufficient if spent with rigid economy and perfect wisdom, but were insufficient because in part misspent on drink and betting or through ignorant housekeeping. "The wages paid for unskilled labor in York are insufficient to provide food, shelter and clothing adequate to maintain a family of moderate size in a state of bare physical efficiency." No less than 52 per cent. of "primary" poverty was due to low wages alone (*Poverty*, 2nd ed., pp. 83, 120, 133).

One great cause of the short and miserable lives of the poor is the insanitary condition of the slums in which many of them are compelled to dwell. The strongest testimony to the evil effects of such surroundings comes from the insurance companies. The industrial friendly societies have in each large town their "proscribed streets." The Liverpool Victoria Legal Friendly Society proscribes, for Liverpool alone, on account of their insanitary character, 167 "streets wherein no members of the Society may be entered" (Circular of the 13th October, 1886). Yet these unhealthy streets are not too bad to be the only homes of thousands of the poorer citizens of that commercial centre.

INFANT MORTALITY.

"The best indication probably as to whether the conditions of life in any locality are healthy or the reverse is the infant mortality" (*The Dwelling House*, by G. V. Poore).

In the Analysis of the causes of death in England and Wales furnished by Dr. Tatham, M.A., M.D., F.R.C.P., to the Registrar-General, and published in the Report for 1904 (Cd—2,617), attention is called to "the enormous sacrifice of life that besets early infancy in England and Wales. Nearly half the children dying under one year perish within three months of their birth; whilst of survivors in the second year of life there die more than twice as many as in any one of the three succeeding years." He gives particulars of the mortality among children under five years of age—rate per 1,000 living—from which it appears that their death-rate from all causes in England and Wales in 1904 was 51·62 per thousand; 60·69 in urban counties, and 38·14 in rural counties. The highest death-rate amongst children was in Lancashire (67·67); the next highest was Durham (62·37); whilst London came twelfth (54·79). The lowest death-rate was in the county of Westmoreland (24·02).

The infantile death-rate at Bethnal Green is twice that of Belgravia. Holborn (151,835) and St. George's, Hanover Square (149,748), have almost equal populations; yet, in the former, 1,614, in the latter, only 1,007 children under five died in 1884* (Registrar-General's Report, 1886, pp. 32, 126, C—4,722).

Dr. Playfair says that 18 per cent. of the children of the upper class, 36 per cent. of those of the tradesmen class, and 55 per cent.

* No figures for a comparison of this kind are given in the Registrar-General's Reports for years subsequent to 1884.

of those of the workmen, die before they reach five years of age (quoted at p. 133 of *Dictionary of Statistics*, by Mr. Mulhall, who, however, thinks it "too high an estimate").

OVERCROWDING STATISTICS. From Censuses 1891 and 1901, General Report.*

ENGLAND AND WALES.—OVERCROWDING.

Tenement with	No. of 1 to 4 roomed tenements with more than two occupants per room.		No. of occupiers of such tenements.		Percentage of popula- tion in such tenements.	
	1891	1901	1891	1901	1891	1901
1 room	92,259	66,669	357,707	245,576	1·23	0·76
2 rooms	184,231	147,527	1,124,056	884,672	3·88	2·72
3 rooms	120,031	102,556	951,877	807,566	3·28	2·48
4 rooms	85,132	74,662	824,404	729,652	2·84	2·24
	<u>481,653</u>	<u>391,914</u>	<u>3,258,044</u>	<u>2,667,466</u>	<u>11·23</u>	<u>8·20</u>

The total number of tenements in England and Wales was, in 1901, according to the returns, 7,036,868, which gives, with a population of 32,527,843, an average of 4·6 persons to each tenement.

The six great towns in which the percentage of overcrowded persons was the highest were as follows :—

Gateshead	...	...	34·53	Plymouth	...	...	20·25
Newcastle-on-Tyne	...	...	30·57	Halifax	...	...	14·67
Sunderland	...	...	30·10	Bradford	...	...	14·58

The five registration counties with most overcrowding (London omitted) were :—

Northumberland	...	...	31·31	Yorkshire	...	...	9·6
Durham	...	...	29·48	Cumberland	...	...	8·47
Pembroke	...	...	9·94				

Speaking generally, it would appear that the coal-bearing counties are those where the crowding of dwellings is most severe.

OVERCROWDING IN LONDON REGISTRATION COUNTY.

830,182 persons living more than two in a room = 19·71 per cent. to total population. (General Report, 1891 Census, p. 118.)

"This figure of nearly 20 per cent., however, is based on the population of the whole town, which in 1891 was 4,211,743. To ascertain the real nature of the overcrowding problem, it is essential to look more closely into the details of the different districts of London. It will then be found that in such central parts as Holborn, Clerkenwell, St. Luke's, Whitechapel and St. George-in-the-East, the overcrowding exceeds 35 per cent. Look more closely into selected areas in these districts and the problem appears even more serious. The average number of persons per acre for all London is 56. In the Old Artillery Ground it is 427, in Spitalfields

* The figures for 1901 have been calculated from the material given in the Preliminary Report, and though approximately correct, must not be taken as exactly accurate.

it is 322, in Mile End Old Town it is 269. These three districts are in Whitechapel" (*London Government*, by Frederick Whelen, p. 67). In 1901 the figures were about 719,293 persons, or 15·88 per cent.

MORTALITY AND OVERCROWDING (LONDON).

Proportion of Total Population living more than two in a room (in Tenements of less than five rooms).		Death-rate, "All Causes," 1885-92.
Districts with under 15 per cent.		17·51
"	" 15 to 20 per cent.	19·51
"	" 20 to 25 "	20·27
"	" 25 to 30 "	21·76
"	" 30 to 35 "	23·92
"	over 35 "	25·07

London Government, p. 68.

Later returns show some improvement :—

METROPOLITAN BOROUGHES.

Proportion of Total Population living more than two in a room (in tenements of less than five rooms). Census 1901.		Corrected Death-rate, 1901-3.
1.	Boroughs with under 15 per cent.	16·6
2.	" from 15 to 20 per cent.	18·8
3.	" " 20 to 25 "	19·3
4.	" " 25 to 30 "	21·1
5.	" " 30 to 35 "	20·7
6.	" " over 35 "	22·3

Class 1 comprises City, Battersea, Camberwell, Chelsea, Deptford, Fulham, Greenwich, Hackney, Hammersmith, Hampstead, Kensington, Lambeth, Lewisham, Paddington, Stoke Newington, Wandsworth, Westminster, Woolwich.

Class 2 comprises Bermondsey, Islington, Poplar.

" 3	" Marylebone, St. Pancras, Southwark.
" 4	" Bethnal Green, Holborn, Shoreditch.
" 5	" Stepney.
" 6	" Finsbury.

(Abstracted from the Annual Reports of the Medical Officer of Health to the London County Council for 1901 and 1904.)

We clog our public poor relief with irksome and degrading conditions, so that the honest poor often die lingering deaths rather than accept it. Mr. Charles Booth states that "as regards entering the workhouse, it is the one point on which no difference of opinion exists among the poor. The aversion to the 'house' is absolutely universal, and almost any suffering and privation will be endured by people rather than go into it" (*The Aged Poor in England and Wales*). Yet the paupers in actual receipt of public relief on one day number more than a million :

England and Wales, 1st January, 1905	932,267	cost	£13,369,494
Scotland, 15th January, 1904	... 106,850	"	1,302,061
Ireland, 7th January, 1905	... 103,240	"	1,033,168

1,142,357 £15,704,723

(Report of Local Government Board, England and Wales, Cd—2,661; Report of Local Government Board, Scotland, Cd—2,514; Report of Local Government Board, Ireland, Cd—2,655).

But the relief is not usually given permanently; to obtain the number of different individuals who receive relief during a year we must multiply the daily number by 2.3. (This is the computation given in Mr. Charles Booth's paper before the Statistical Society, December, 1891. See also his *Pauperism, a Picture; and the Endowment of Old Age, an Argument*.) This gives a pauper class during any one year of about 2,627,000 persons, or 1 in 6 of the manual-labor class. In some rural districts *every* aged laborer is a pauper.

The maintenance of these paupers cost £15,704,723 for a year. But in addition to this public expenditure, the various charitable societies spend £10,040,000 annually (Mr. Mulhall, *Dictionary of Statistics*, p. 112), and the charity of individuals is known to be enormous. The numbers of the destitute class must therefore be largely increased. Sir R. Giffen talks of the class of five millions "whose existence is a stain on our civilization" (*Essays in Finance*, vol. ii., p. 350). It is the lot of at least one in five of the manual-labor class—of 16 in every 100 of the whole population—to belong to this class.

"To me, at least, it would be enough to condemn modern society as hardly an advance on slavery or serfdom, if the permanent condition of industry were to be that which we behold, that 90 per cent. of the actual producers of wealth have no home that they can call their own beyond the end of the week; have no bit of soil, or of so much as a room that belongs to them; have nothing of value of any kind except as much old furniture as will go in a cart; have the precarious chance of weekly wages which barely suffice to keep them in health; are housed for the most part in places that no man thinks fit for his horse; are separated by so narrow a margin from destitution, that a month of bad trade, sickness, or unexpected loss brings them face to face with hunger and pauperism. . . . This is the normal state of the average workman in town or country" (Mr. Frederick Harrison, p. 429, Report of Industrial Remuneration Conference, 1886).

The normal state of the "average workman" is the average normal state of four out of five of the whole population (Prof. Leone Levi, *Times*, 13th January, 1885).

XII.—The Evil and the Remedy.

"The deepest root of the evils and iniquities which fill the industrial world is not competition, but the subjection of labor to capital, and the enormous share which the possessors of the instruments of industry are able to take from the produce" (J. S. Mill quoting Feugueray, *Principles of Political Economy*, p. 447, edition of 1865).

"We have been suffering for a century from an acute outbreak of individualism, unchecked by the old restraints, and invested with almost a religious sanction by a certain soul-less school of writers" (Prof. H. S. Foxwell, University College, London, p. 249 of essay in *The Claims of Labor*, 1886).

"It is, indeed, certain that industrial society will not permanently remain without a systematic organization. The mere conflict of private interests will never produce a well-ordered commonwealth of labor" (article on "Political Economy" in *Encyclopædia Britannica*, vol. xix., 1886, p. 382, since published as the *History of Political Economy*, by J. K. Ingram, LL.D., Trinity College, Dublin).

Socialists affirm that the evil can never be remedied until the "two nations" are united by the restitution to public purposes of

rent and interest of every kind, and by the growth of social sympathy promoted by the accompanying cessation of class distinctions. It will be seen by the above quotations that this position is based on the facts of the case as ascertained and declared by the recognized authorities in statistics, and is in entire harmony with the doctrines of Political Economy.

XIII.—Some Steps already taken towards Socialism.

The restitution to public purposes of rent and interest of every kind cannot be effected by revolution, or by one or a dozen Acts of Parliament. Legislative reforms are needed, but they must be supplemented by a thoroughly organized exercise by all local authorities, from Parish to County Councils, of the powers they already possess, as well as by the acquisition of new and more far-reaching powers. The supply of water, milk, gas, and electric light, the establishment of markets, slaughter-houses, tramways, steamboats, baths, wash-houses, cemeteries, harbors, libraries, bands, art galleries, museums, open spaces, gymnasia, allotments, the buildings of workmen's dwellings and municipal lodging-houses are being carried on by municipal authorities for the common good. They might be extended to every urban community in the kingdom if public opinion and public enterprize were sufficiently alert to their opportunities. The following figures show the influence of socialistic principles in our municipal administration. A House of Commons Return, issued in December, 1902, gives a summary of the reproductive undertakings carried on by 299 out of the 317 municipal boroughs in England and Wales; total capital, £121,172,372; balance outstanding, 31st March, 1902, £104,925,853; average annual income for four years to 31st March, 1902, £13,368,702; average annual working expenses for the same period, £8,228,706; average annual net profit for the same period, £4,812,005 (H.C.—398, 16th December, 1902). No later returns have been made.

The establishment of Works Departments and the direct employment of labor are municipal developments which are yearly transforming hundreds of workers into State servants.

The restitution of rent and interest to public purposes will be mainly brought about by means of progressive taxation in the shape of graduated death duties, a graduated differentiated income tax, and the rating of land values. The budget of 1894 not only cleared the way for the application of socialist principles to taxation, but immediately brought a largely increased revenue out of accumulated capital into the national exchequer. It enacted a scale of duties varying from 1 per cent. on estates of £500 to 8 per cent. on those of £1,000,000 and over. During the year 1904-5 the revenue from the death duties was £17,258,431. In the period 1894-5 to 1904-5 no less than £176,184,916 was collected from this source of taxation, an average of £16,016,810 a year, as against £9,979,691 in 1893-4 (Cd—2,633).

By these and similar means, very greatly extended, the emancipation of the workers from the burden of private monopoly will slowly but surely come.

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